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IN THE

Supreme Court of the United States

OCTOBER TERM, 1979

No. 79-1916

SYBRON CORPORATION and CASTLE COMPANY,
A Division of Sybron Corporation,
Petitioners,

v.

AMERICAN STERILIZER COMPANY,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION

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Petitioner Sybron Corporation et al (Sybron) seeks a writ of certiorari to the United States Court of Appeals for the Third Circuit to review the judgments of that court entered on November 7, 1975 and on February 4, 1980.

Respondent American Sterilizer Company (Amsco) respectfully requests that this Court deny the petition for certiorari. The petition clearly is without merit and does not warrant any review by this Court as manifest by the following brief comments on the five (5) questions set forth in the petition.

Question No. 1

The district court exercised its discretion and ordered, pursuant to a Stipulation signed by Sybron, separate trial of the issue of scope of the infringing method definition. That discretion of the district court has never been challenged and *Lear, Inc.* v. *Adkins,* 395 U.S. 653 (1968) does not diminish such discretion of a district court.

Question No. 2

Respondent does not agree with Petitioners' comments (Sybron brief p. 15) on the licensing agreement in *Lear, Inc.* v. *Adkins* (supra). The Third Circuit found that Lear had not terminated the license agreement "in accordance with the applicable terms" (App. p. 27a). Thus, in *Lear, Inc.* v. *Adkins* (supra) as in the present case, ". . . both licensees failed to comply with the termination provision . . ." (App. p. 28a).

Question No. 3

Jurisdiction is predicated on the parties' diversity of citizenship, 28 U.S.C. § 1332. *Thiokol Chemical Corp.* v. *Burlington Industries, Inc.,* 488 F.2d 1328 (3rd Cir. 1979) (Sybron brief p. 20) is not controlling. In its decision of November 7, 1975 (App. 33a-34a, fn. 13), the Third Circuit states that Amsco "also predicates jurisdiction on the parties' diversity of citizenship, 28 U.S.C. § 1332, an aspect not present in *Thiokol*".

Question No. 4

The Agreement (App. pp. 8a-12a) grants (i) a license under U.S. Patent 3,068,064 for payment of royalties and (ii) a royalty free license under U.S. Patent 3,013,573. An agreement requiring the payment of royalties under but one U.S. Patent is not and cannot be a "package license". In addition, the Third Circuit declined to consider "package licensing" as an issue since it was not raised before the district court (App. p. 88a, fn. 10).

Question No. 5

Respondent Amsco filed a reply to Petitioner Sybron's counterclaim in February, 1971. The Third Circuit in its decision of November 1975 found no facts supporting waiver and distinguished *Standard Industries, Inc.* v. *Tigrett Industries Inc. et al,* 397 U.S. 586 (1970) stating (App. p. 29a):

> Like the licensee in *Lear* but unlike the licensee in *Standard Industries,* Amsco raised the issues of the validity and scope of the McDonald patent from the commencement of its action. To this date it has neither withdrawn nor receded from its position. Amsco's amended complaint, its affirmative defenses to motions preclude any finding of waiver.

CONCLUSION

Respondent respectfully submits that the petition for writ of certiorari should be denied.

Respectfully submitted,

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